

INDIANA SOUTHWESTERN RAILWAY CO.

1318 S. JOHANSON ROAD

PEORIA, ILLINOIS 61607

(309) 697-1400

May 20, 2005

Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

RE: Docket No. FD 34608 – Ohio Valley Railroad Company – Petition to Restore Switch Connection

Dear Secretary Williams:

On May 16, 2005 Mid-America Locomotive and Car Repair, Inc. (“MACR”) and Ohio Valley Railroad Company (“OVR”) filed an informal complaint under the heading “Joint Petition for Imposition of Procedures for Proper and Safe Reinstallation of Switch Connection, Prescription of Interchange Agreement and Relief from Discriminatory Switch Charges”.

As the Board is aware, this filing was preceded by a letter dated March 28, 2005 (received by the Board on or about April 11, 2005), from Mr. Bruce Knight of MACR, that was addressed to Chairman Nober, and copied to Board Members, staffers and numerous other parties, but was not copied to Indiana Southwestern Railway Co. (“ISW”). After obtaining a copy of that letter, ISW responded to Mr. Knight on April 19, 2005. Despite the fact that the letter contained little more than a series of false and malicious statements, and that ISW had already endured a barrage of unfounded litigation and filings from MACR and its various affiliated entities (including OVR), ISW made yet another attempt to bring this matter to a negotiated conclusion, and suggested that Mr. Knight and his associates sit down with us and try to reach an agreement. Unfortunately, Mr. Knight did not even have the courtesy to respond to our letter, and instead sent the Board this latest list of complaints and demands.

In an effort to approach this situation in a way that will hopefully lead to its complete and final disposition, I begin by noting that I filed a letter on February 25, 2005, stating that ISW “has restored the switch connection at Harwood Yard in Evansville, Indiana between ISW and Ohio Valley Railroad,” in accordance with the Board’s directive of February 23, 2005.

That statement was based upon the report furnished me by ISW’s General Manager in

Evansville, who was instructed to restore the switch promptly and completely, in accordance with the Board's direction. I have no reason to doubt his report, and every reason to doubt Mr. Knight and Mr. Gray.

So that the Board may have certainty, however, I have asked Mr. Tom S. Black, ISW's Vice President, Safety and Compliance, to travel to Evansville next week and render a full report on the condition of this switch. I will forward that report promptly to the Board.

In the interest of maintaining some semblance of order, I will not respond to the various other charges made by MACR and OVR except to say that, despite the existence of the switch connection and the fact that all AAR work has been done (by ISW) to enable OVR to interchange traffic to ISW, OVR has never interchanged a single car with ISW, nor has OVR (or its customer, MACR) ever contacted ISW regarding a rate for the movement of any particular group of cars.

Other than complaints to the Board about ISW's standard intermediate switch tariff, attempts (by various means) to induce third parties to write letters to the Board, and complaints to numerous other parties having no jurisdiction over rates (apparently calculated simply to harm ISW's reputation), OVR has, so far as ISW can determine, made no attempt to move any traffic whatsoever, since becoming a common carrier.

Nevertheless, ISW remains interested in resolving this problem. Since MACR and OVR are unwilling to enter into direct negotiation, ISW respectfully requests that the Board designate a mediator to assist in bringing this matter to a conclusion.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Daniel A. LaKemper". The signature is fluid and cursive, with the first name "Daniel" and last name "LaKemper" clearly distinguishable.

Daniel A. LaKemper,
General Counsel.

cc: Richard R. Wilson, Esq.